

FY13 Presentation to the

Joint Finance and Appropriation Committees



Our Mission: **Your Safety**
Your Mobility
Your Economic Opportunity

Idaho Transportation Board

D-1
Jim Coleman
Coeur d'Alene



D-2
Jan Vassar
Lewiston



D-3
Vacant



D-4
Gary Blick
Castleford



D-6
Lee Gagner
Idaho Falls



D-5
Dwight Horsch
Pocatello



Chairman
Jerry Whitehead
Boise

The Idaho Transportation Department

Vision:

- Become the best transportation department in the country

Today's Theme:

- What we are doing
- Where we are going
- How we measure our progress
- How we report that progress



2011 Focus Areas



- **Realignment**
- **Investing for Performance**
- **Performance Measures**
- **Accountability, Efficiency, and Effectiveness**
- **Individual Performance Management**



Realignment

- **Nine layers of management reduced to five**
- **62 one-on-one supervisory positions eliminated**
- **Less duplication between districts and headquarters**
- **Decision-making now closer to where work is done**
- **Accountability and efficiency increased**
- **No employees lost their jobs**

Total Savings: \$3.5 million



Realignment

What We Achieved:

• Divisions Eliminated	1
• One-on-One Supervisory Positions Eliminated	62
• Assistant Positions Eliminated	11
• Duplicate Positions Eliminated	47
• Increased Number of Cross-Utilized Positions	239
• Supervisors Moved to Front Line Positions	55
• Supervisors Moved to Front-Line Support	73



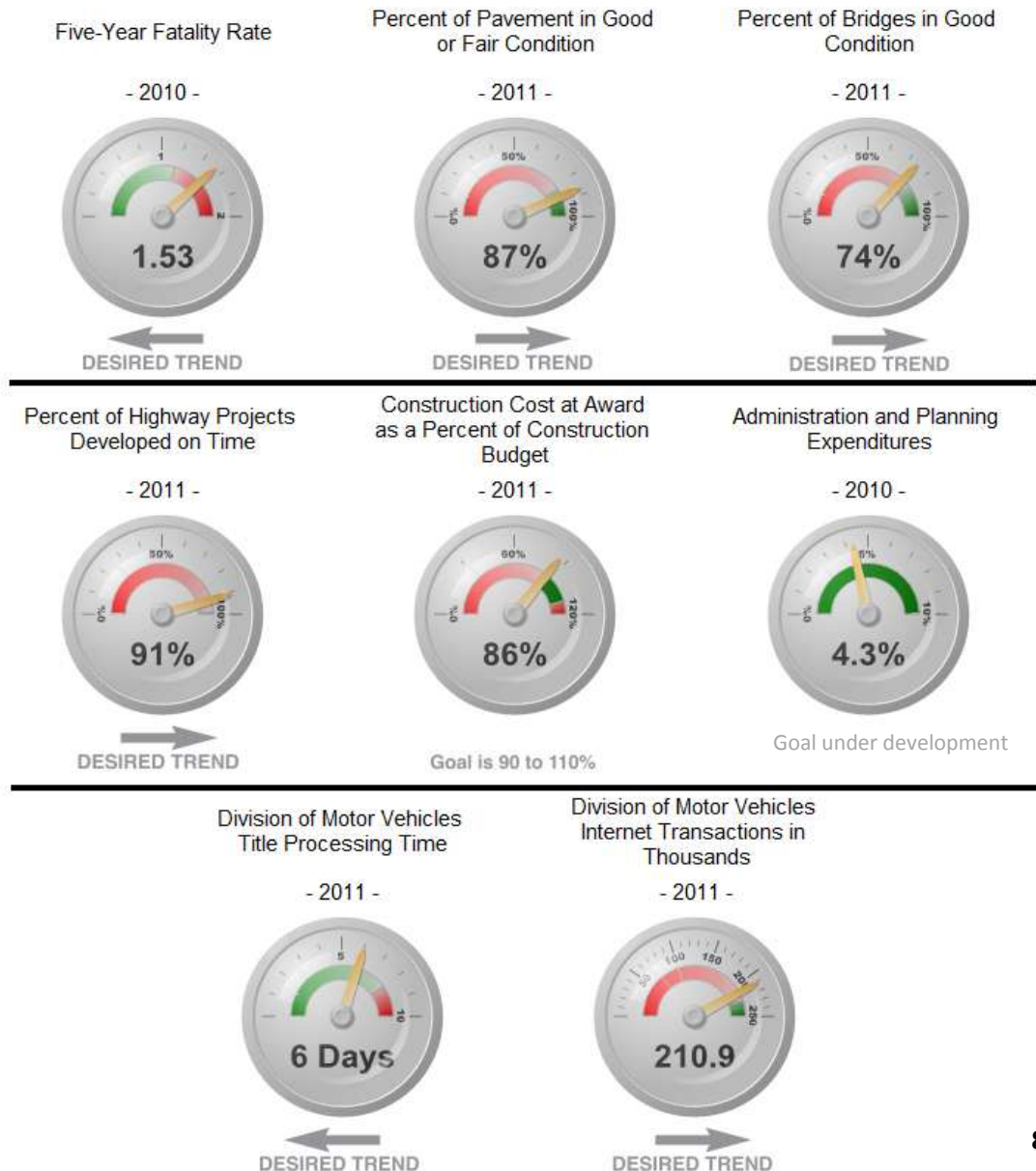
Investing for Performance

- **New Strategic Plan**
- **Transportation Asset Management System**
- **Five-Year Transportation Investment Plan**
- **50-Year Vision for each Transportation Corridor**



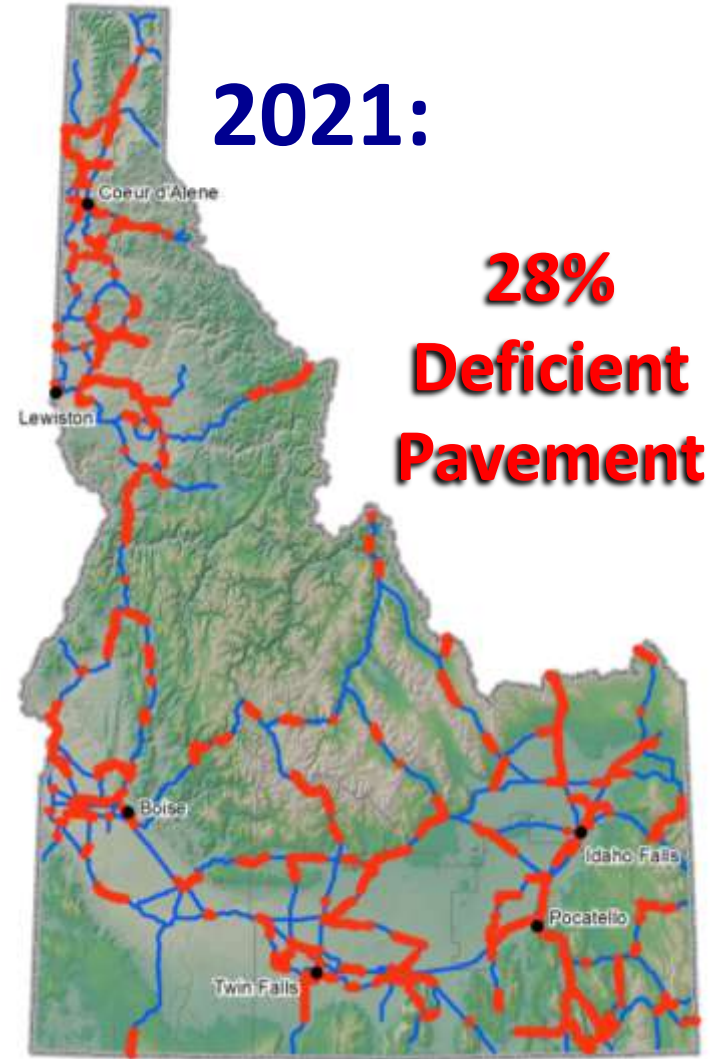
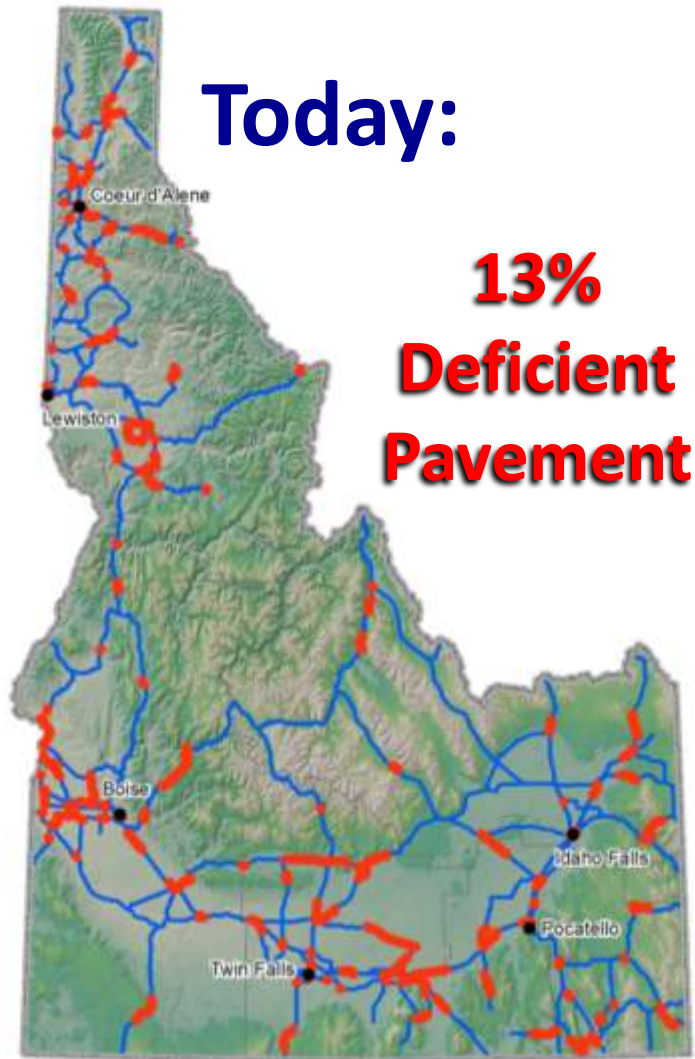
Performance Measures

**Performance
measure status
reported on
ITD dashboard
website**



Pavement Condition

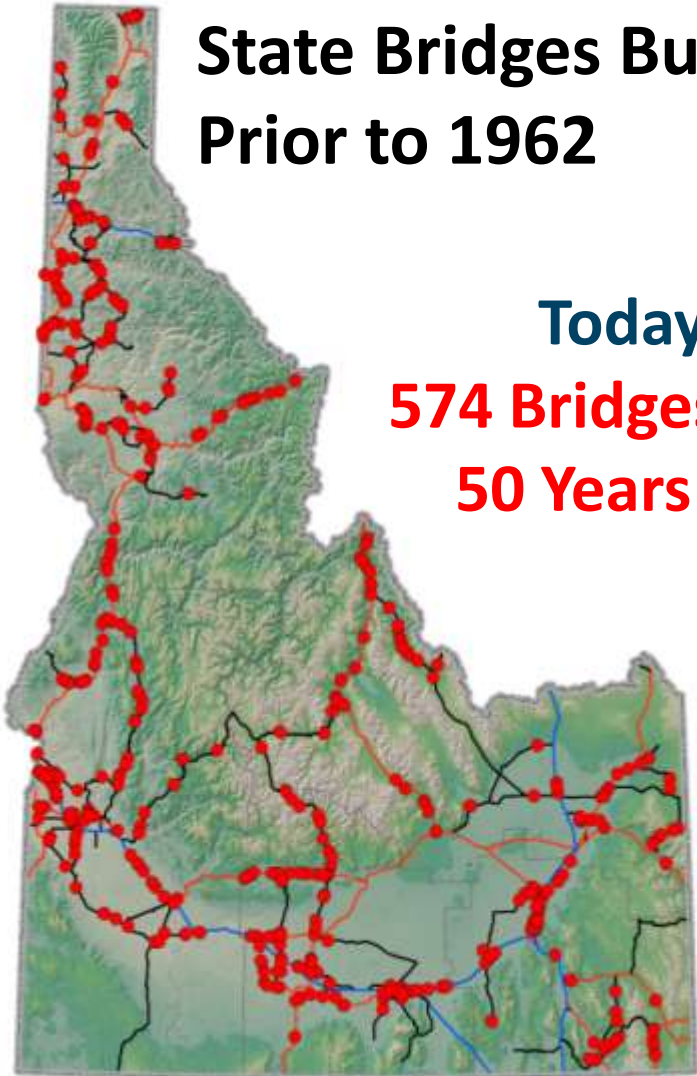
Current Pavement Strategy — Invest Approximately \$100 Million Annually



Bridge Age

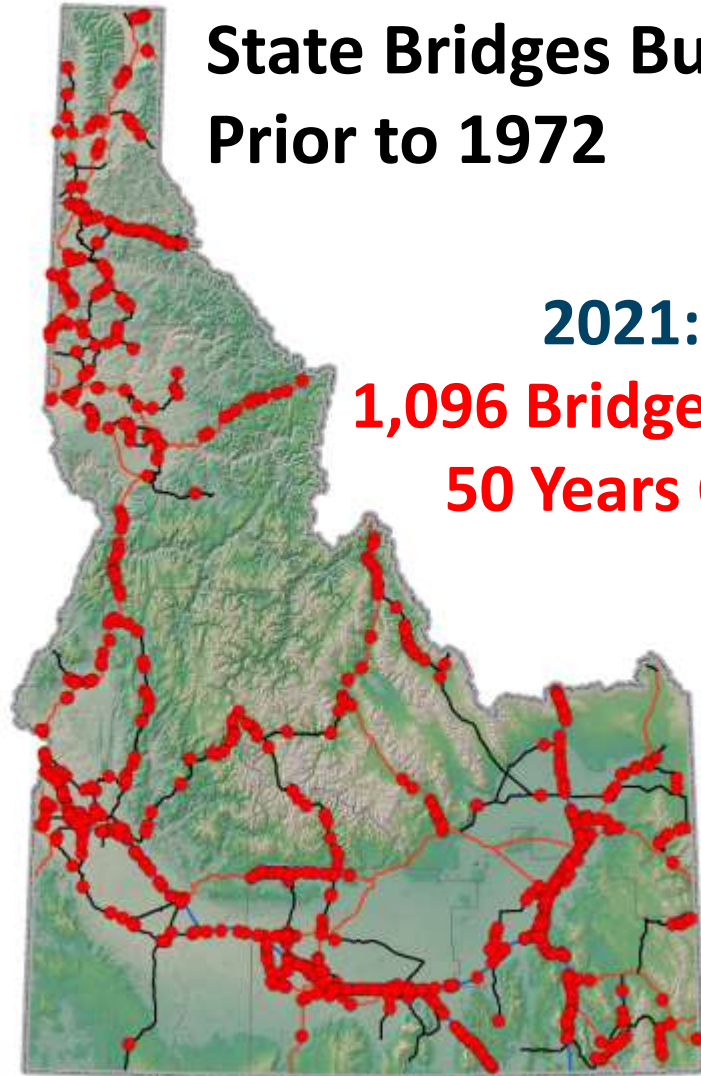
**State Bridges Built
Prior to 1962**

**Today:
574 Bridges Over
50 Years Old**



**State Bridges Built
Prior to 1972**

**2021:
1,096 Bridges Over
50 Years Old**



Funding Task Force

Task Force Cover Letter from Lt. Governor Brad Little

“First and perhaps foremost, the Task force members solidly confirmed Idaho’s real and significant transportation funding shortfall.”

Task Force Final Recommendation

Additional revenue needed annually:

\$262 million for operation, preservation, and restoration

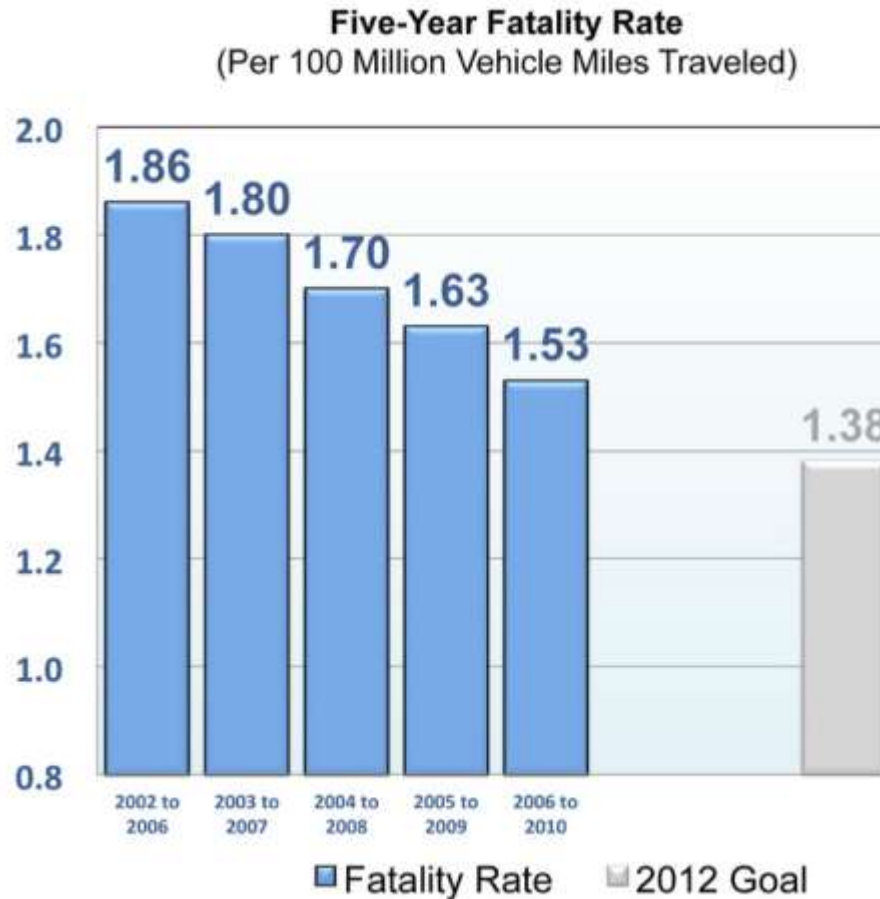
\$281 million for capacity and safety enhancements

\$543 Million Total Annual Shortfall

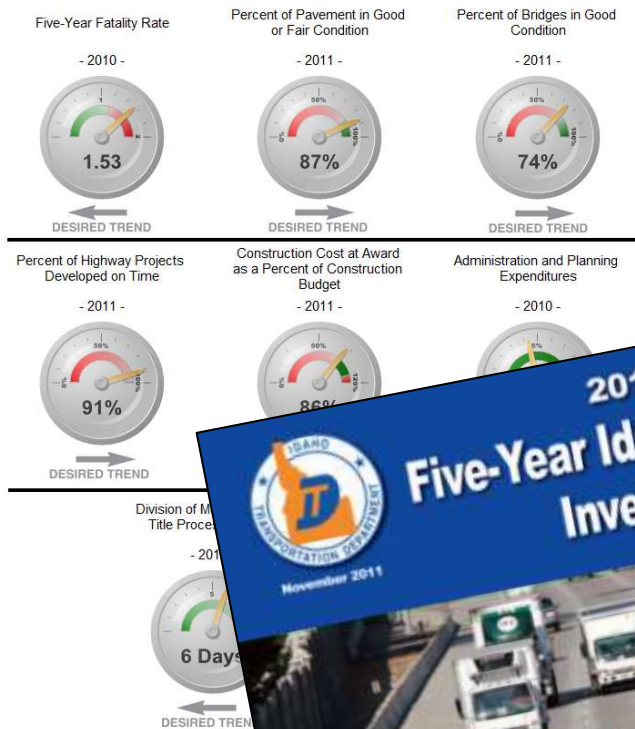


Five-Year Fatality Rate

— TOTAL FATALITIES BY YEAR—					
2006	2007	2008	2009	2010	2011
267	252	232	226	209	167



Accountability, Efficiency, and Effectiveness



Individual Performance Management

- Strategic plan will align goals with individual performance plans
- This will focus employees on top priorities



FY13 Governor's Recommendation

BASE		\$485,538,100	1,827.5
• Adjustments			
- Change in benefit costs	2,967,100		
- Replacement Equipment	24,751,900		
- Statewide Cost Allocation	(479,100)		
- Inflationary and Caseload Adjustments	1,996,700	\$29,236,600	
Adjusted Base		\$514,774,700	
• Line Items			
1. Construction Spending Authority	11,806,800		
2. Federal Spending Authority – BLM Grant	70,000		
3. Federal Spending Authority – Highway Safety Grants	912,500		
4. Federal Spending Authority – Drivers License and Port-of-Entry Grants	1,500,000		
5. Federal Spending Authority – Transportation Career Grants	330,000		
6. Legal Fees — DMV License Suspension/Hearing Process	70,000		
7. Fund Shift — Contract Construction	0		
8. Fund Shift — Highway Operations	0		
9. Budget Flexibility	0	\$14,689,300	
Appropriation Recommendation:		\$529,464,000	
GARVEE Bond Authorization (Idaho Transportation Board Request)		0	
Debt Service		\$54,528,400	
Total Program Funding:		\$583,992,400	1,827.5



FY13 Budget Request

(Dollars in millions and rounded)

Fund Sources

- | | |
|-----------------|---------|
| • State Funds | \$260.0 |
| • Federal Funds | 264.8 |
| • Other Funds | 4.7 |

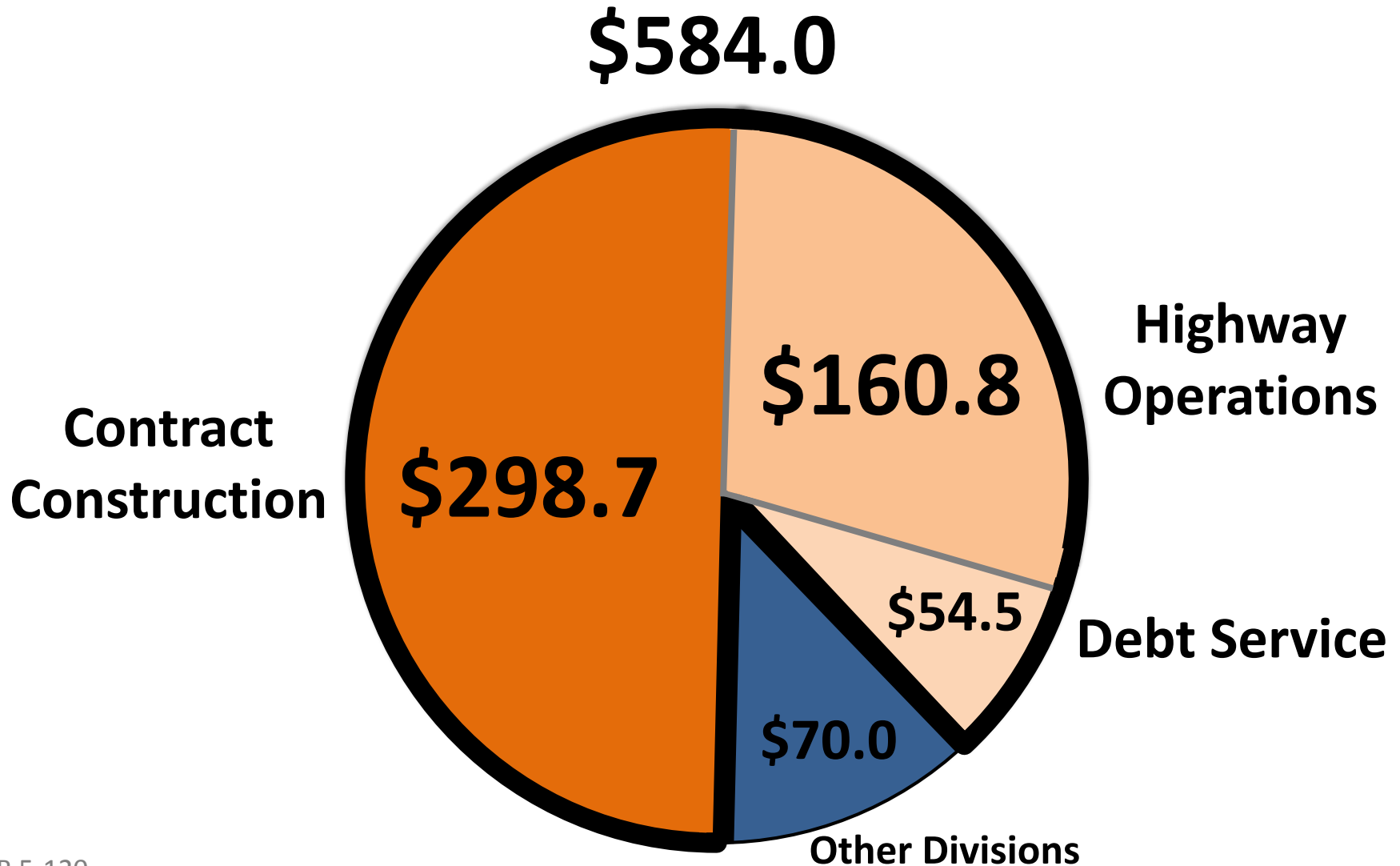
Appropriation: \$529.5

- | | |
|--|------------|
| • Debt Service (\$50.2 mil. federal, \$4.3 mil. state) | \$54.5 |
| • GARVEE Bond Request | <u>0.0</u> |

TOTAL: **\$584.0**

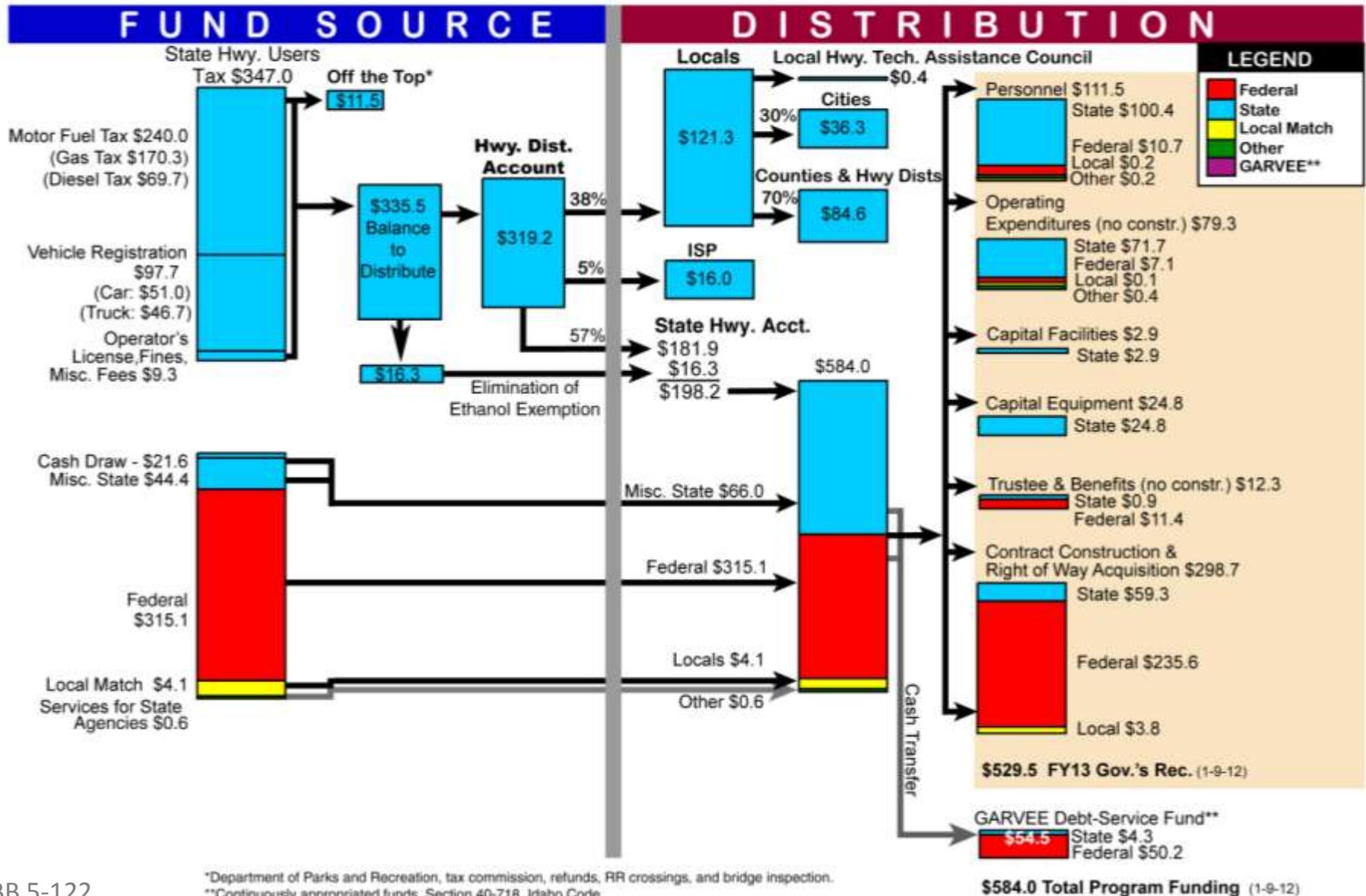
FY13 Budget Request

(Dollars in millions and rounded)



Idaho Transportation Department

FY13 Governor's Recommendation (1-9-12) — Dollars in Millions and Rounded — By Standard Class



*Department of Parks and Recreation, tax commission, refunds, RR crossings, and bridge inspection.
 **Continuously appropriated funds, Section 40-718, Idaho Code.

LBB 5-122

FY12 Budget Flexibility

Budget flexibility allowed ITD to:

- Transfer Legislative appropriations between object codes
- Increase or decrease more than 10% of any program's Legislative appropriation through transfers



Budget Flexibility Authority

What We Achieved:

- Realigned ITD
- Eliminated one division
- Redeployed staff to other divisions
- Eliminated levels of supervision
- Saved \$3.5 million in personnel funding

Previous Structure



Current Organization



Budget Flexibility Authority



What We Will Do With Continued Authority:

- Refine organizational realignment
- Continue zero-based budget improvements
- Make additional efficiency improvements
- React to federal funding uncertainty



Budget Flexibility Authority

Exemption from Certain Appropriation Transfer Limitations

Legislative Intent Language:

- “To provide maximum flexibility in dealing with department-wide organizational and programmatic realignments aimed at improving efficiency and reducing costs during fiscal year 2013, the Idaho Transportation Department is hereby exempted from the provisions of Section 67-3511, Idaho Code, for all moneys appropriated to it for the period July 1, 2012, through June 30, 2013. Legislative appropriations shall not be transferred from one fund to another fund, however, unless expressly approved by the Legislature.”*



Federal Highway and Transit Funding

Current extension will expire March 31

Three proposals under consideration:

- **House**
- **Senate**
- **Administration**



Federal Aviation Funding

Bipartisan House and Senate 4-Year Agreement is similar to recent aviation funding levels for:

- **FAA Operations**
- **FAA Facility and Equipment Account**
- **Research, Engineering, and Development**



Legislation with Fiscal Impact



**No Legislation
with Fiscal Impact**



Legislative Audit Findings

**No
Legislative
Audit
Findings**



New Strategic Plan



Our Mission:
Your Safety
Your Mobility
Your Economic Opportunity

Our Roadmap to Becoming the Best



New Strategic Plan

Overview:

- **Previous plan developed in 2007**
- **Changing expectations**
- **Needed more transparency, accountability, credibility, and effectiveness**
- **New plan addresses challenges**



New Strategic Plan



Three Goals:

- **Become the best organization by continually developing employees and implementing innovative business practices**
- **Commit to having the safest transportation system possible**
- **Provide a mobility-focused transportation system that drives economic opportunity**



New Strategic Plan

Goal:

- Become the best organization by continually developing employees and implementing innovative business practices



New Strategic Plan

Becoming the Best

What We Will Measure:

- Reduction in costs through innovation, process improvement, and technology
- Improvement in performance measures
- Increase in customer satisfaction
- Progress toward the desired organizational culture
- Effectiveness of the department's leadership
- Individual performance plans linked to the department's strategic goals
- Increase in employee productivity
- Total employee compensation compared to similar markets
- Reduction in turnover



New Strategic Plan



Becoming the Best

Why it Matters:

- Employee-driven innovation
- Improved business processes
- Higher-quality services to taxpayers
- Cost reductions = more efficient use of funding



New Strategic Plan

Becoming the Best Reducing Turnover Rate:

- High turnover rate in key front-line positions.
- Retaining skilled staff will reduce turnover costs, which are over \$5 million annually.
- ODOT aired radio ads in the Treasure Valley for a Transportation Coordinator 1 position.



New Strategic Plan



Goal:

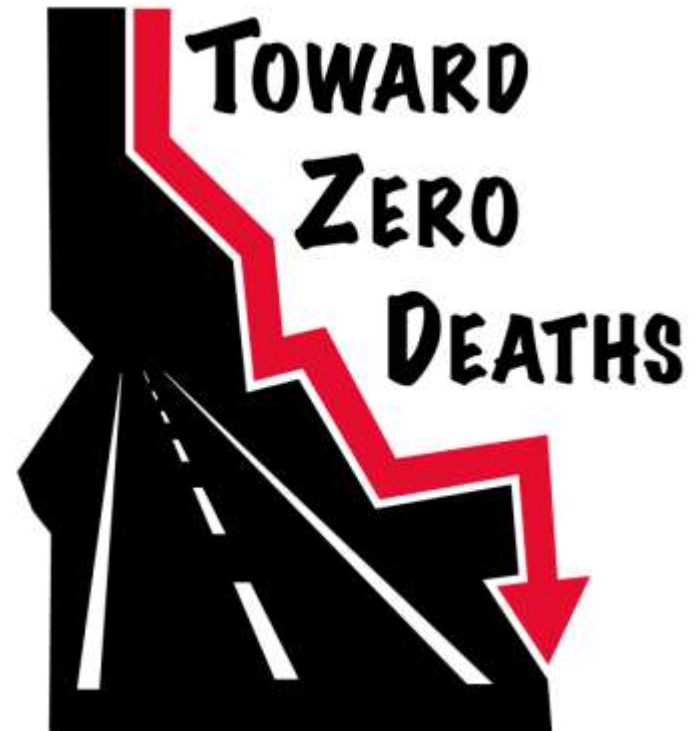
- Commit to having the safest transportation system possible

New Strategic Plan

Safety

What We Will Measure:

- Reduction in fatalities
- Reduction in serious injuries
- Reduction in injuries and fatalities related to distracted driving
- Reduction in injuries and fatalities related to impaired driving
- Impact of corridor-safety initiatives and improvements
- Increase in seat belt use



New Strategic Plan

Safety

Why it Matters:

- In 2011, 167 people were killed in crashes on Idaho highways
- No death or injury on an Idaho road is acceptable
- Each death represents a huge loss for families and Idaho's economy



New Strategic Plan



Goal:

- **Provide a mobility-focused transportation system that drives economic opportunity**



New Strategic Plan

Mobility and Economic Opportunity

What We Will Measure:

- Increase in the efficiency in which goods are transported
- Reduction in travel times for commuting, commerce, recreation, and tourism
- Increase in Idaho gross domestic product
- Increase in jobs and business revenues



New Strategic Plan



Mobility

Why it Matters:

- Travel-time reductions will benefit tourism and recreation industries
- Travel-time reliability is valued by the public
- Shorter shipping times will lower the cost of goods
- Lower-cost goods will make Idaho more competitive

New Strategic Plan

Economic Opportunity

- Idaho businesses depend on a transportation system that is safe, reliable, fast—and efficient.
- Efficient transportation is the key to Idaho's economic future.
- ITD will help achieve Project 60's Economic Goals



New Strategic Plan

Mobility and Economic Opportunity



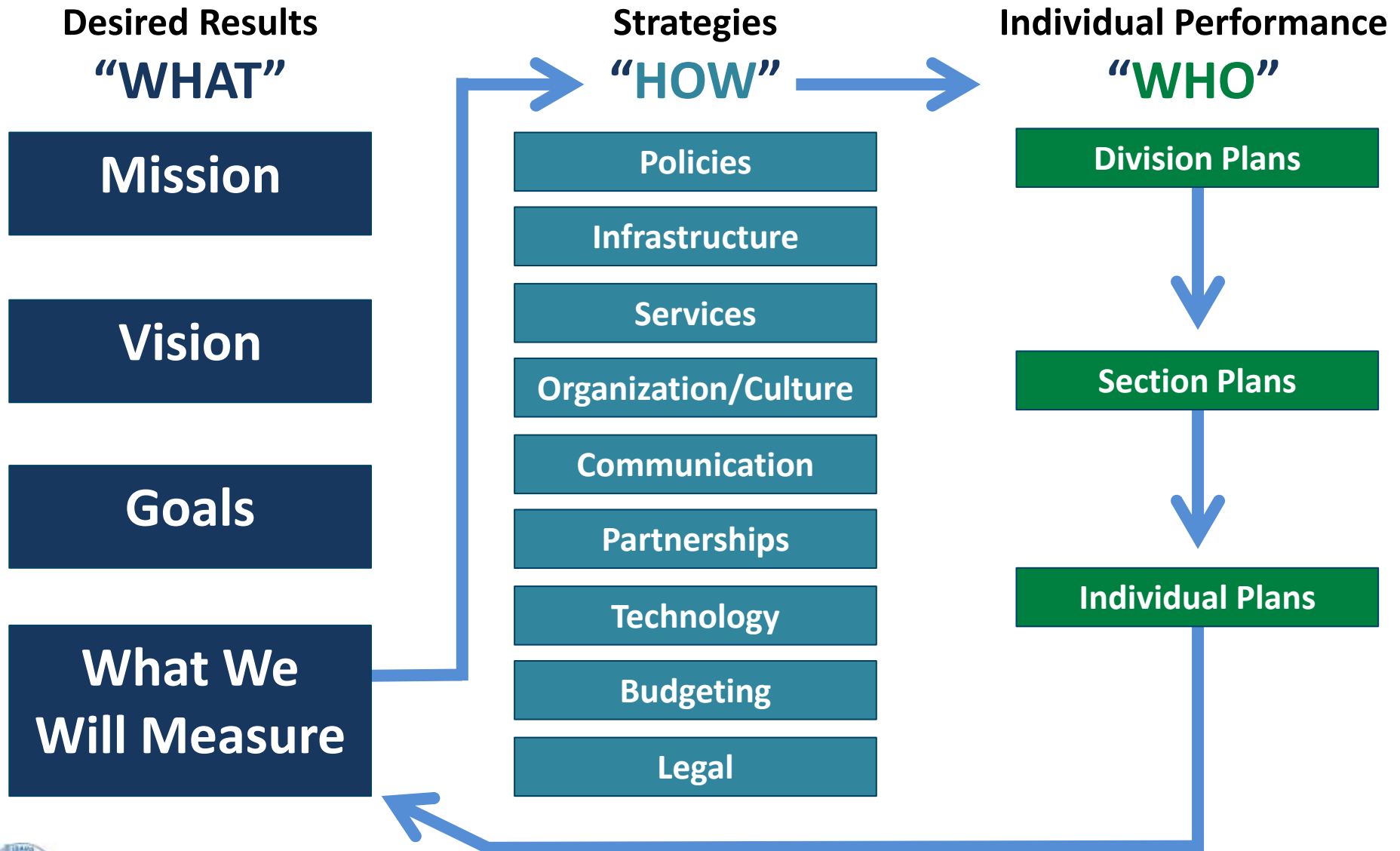
Idaho Freight Study

Finding ways to improve shipping efficiency.

- Business Associations
- Dept. of Agriculture
- Dept. of Commerce
- Dept. of Labor
- Idaho State Police
- Local Agencies
- Port of Lewiston
- Private Industry



Strategic Plan Implementation



2012 Focus

ITD Strategic Plan Goals:

- **Become the best organization by continually developing employees and implementing innovative business practices**
- **Commit to having the safest transportation system possible**
- **Provide a mobility-focused transportation system that drives economic opportunity**



The Idaho Transportation Department

Today we showed you:

- What we are doing
- Where we are going
- How we measure progress
- How we report progress

Next year, we will show you:

- How we did in 2012



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